

Traps in Diagnosing Organizational Failure

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Two Common Problem Areas

- Pitfalls in Perceiving the Sources of Decline
- Pitfalls in Understanding the Sources of Decline

Pitfalls in Perceiving the Sources of Decline

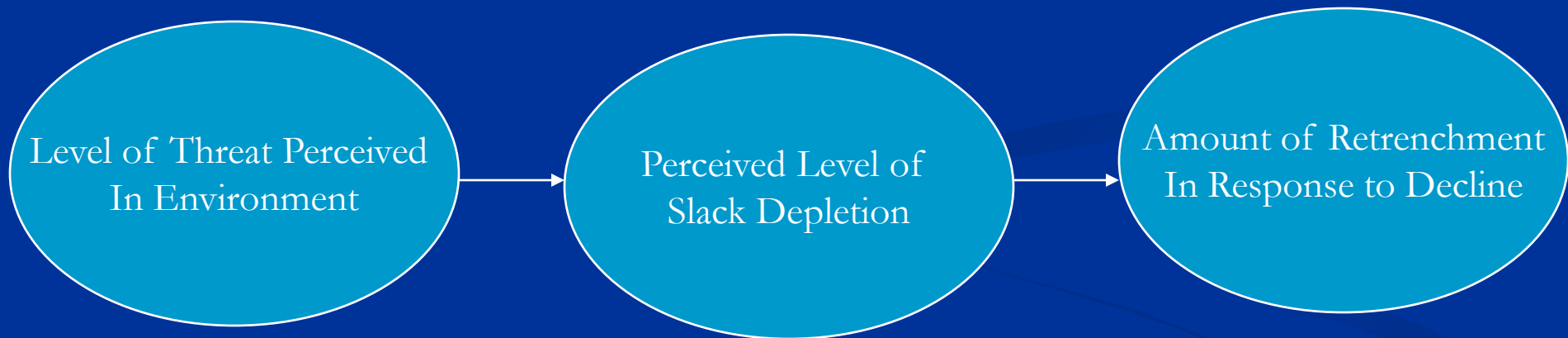
- Relying on Filtered Data
- Paying Too Much Attention to Salient Information
- Selective Perception

Pitfalls in Understanding the Sources of Decline

- Self-serving Causal Interpretations
 - Overconfident managers and acquisitions (Doukas & Petmezas, 2007).
- Experiential and Personality Influences
 - IT Directors (Harrison, 2004)
 - Gender Differences in Downsizing as a Solution

Pitfalls in Understanding the Sources of Decline

■ Problem Framing



How Managers Can Overcome These Pitfalls

- Directly Engage the Environment
- Be Self-confident But Avoid Hubris
- Have a Diversified Management Team that Shares Viewpoints
- Get Outside Advice on Major Problems and Issues

References

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References

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